



SEPTEMBER 2019

### THE COMPANY



Company Fourleaf Estate

Country South Africa

Region Eastern Cape

Sector Development – Greenfields

Business Focus Affordable housing

Size 323 units

Investor HIFSA, Third Avenue Investments, Vuwa and National Housing Finance Corporation (NHFC)

Investment Impact fund

#### IMPACT HIGHLIGHTS

- The estate has delivered **323 environmentally sustainable and affordable homes** for sale and rental.
- The homes deliver significant **energy savings** and have **water-efficient** fittings and will allow for an anticipated annual **saving of R1 280** on utilities per housing unit.
- Acquired **EDGE certification** in May 2017.

### FOURLEAF'S STORY

Fourleaf Estate is located in the Parsons Vlei suburb of Port Elizabeth in the Eastern Cape. It is a modern, eco-friendly, new housing development designed specifically for the affordable homes market.

Fourleaf Estate is the result of fresh thinking, that introduced many new features to the affordable homes market. These include advanced green initiatives, security, internet connectivity, innovative landscaping, community vegetable gardens, and homes with modern designs and flexible add-on options to suit different budgets.

The houses deliver significant energy savings through practical solutions, such as heat pumps for hot water, low-flow taps (which reduce hot water consumption through aeration) and

water-efficient fittings, such as low-flow showerheads and dual-flush toilets. Adjusted window-to-wall ratios and good roof insulation also ensure optimal energy efficiency.

Fourleaf Estate residential development has delivered 323 two and three-bedroom green homes to the South African property market, ranging in size from 47m<sup>2</sup> to 90m<sup>2</sup>. Of these homes, 125 are rental properties managed by Old Mutual Alternative Investments' (OMAI) Urban Impact Properties.



# THE COMPANY VIEW

**Rusmir Musić, EDGE Global Business Development Lead at the International Finance Corporation, commented:** “We began working with OMAI when we were in the pilot stages of EDGE certification. It was clear from the outset that the OMAI team was utterly committed to making affordable housing investments as sustainable and as energy and water efficient as possible and they were fully supportive of Fourleaf’s goal to achieve EDGE certification.

Our certification tool was well received by the OMAI team and their involvement ensured a greater level of awareness about the benefits of EDGE certification more broadly.

For us, it was the first time we had been able to include the investor, property developer and all the staff in the EDGE process. OMAI’s positivity and can-do attitude enabled the entire EDGE certification to go smoothly and we could see that OMAI had taken the process to heart, which is what we want companies to do.”



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## THE ROLE PLAYED BY IMPACT INVESTING

OMAI’s Housing Impact Fund of South Africa (HIFSA) has a mission to help address South Africa’s affordable housing shortage. This fund is aligned with the Sustainable Development Goals, which include an aim to make cities and human settlements more inclusive, safe, resilient and sustainable.

Managed by the Impact Funds team within OMAI, HIFSA is a co-investment between Old Mutual Life Assurance Company South Africa, the Government Employees Pension Fund, the Development Bank of Southern Africa and the Eskom Pension and Provident Fund.

Fourleaf Estate was funded by HIFSA with a mandate to create affordable new housing stock by assembling the necessary stakeholders to provide an innovative affordable housing solution. It endeavours to provide market-related, risk-adjusted returns to our investors and adequate housing to families.

In 2016, HIFSA registered Fourleaf Estate for EDGE (Excellence in Design for Greater Efficiencies) status as a pilot scheme in the certification process. EDGE is a green building certification system for emerging markets created by the International Finance Corporation (IFC), a member of the World Bank Group.

HIFSA chose Similan as a development partner for the first EDGE pilot because of its innovative and attractive designs within the affordable homes market, and its vision to use good housing design and attractive landscaping to enhance community cohesion within a development.

As the investment fund manager for this project, OMAI was the first to bring an affordable green housing development to market in Africa.

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## BEYOND THE OBVIOUS

OMAI focuses on generating superior investment returns across our range of funds by uncovering attractive investment opportunities often overlooked by others. Examples of where we’ve gone beyond the obvious at Fourleaf include:

- A completely original project in the affordable housing market in terms of design quality, innovation and ambition.
- The first EDGE-certified residential investment brought to the market in Africa.
- Offers investment returns using affordable rental as well as home ownership models.
- An opportunity to originate new mortgage loans aimed at the affordable homes market.

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## A FORCE FOR GOOD

Fourleaf Estate is Africa’s first residential development to receive the EDGE final certification, and is playing an important role in water conservation and efficient use of energy.

Grahame Cruickshanks, Managing Executive of Residential at the Green Building Council of South Africa (GBCSA), said that awarding Fourleaf the first EDGE final certification in South Africa was a significant milestone, not just for the GBCSA and its partners in the programme, but for the entire South African residential property sector.

Fourleaf is predicted to realise annual savings of R414 000 by applying EDGE-certified energy and water efficiency measures. This would translate into anticipated savings of approximately R1 280 in utility costs for each housing unit.

Residents are also encouraged to start their own vegetable gardens and participate in the community vegetable gardens being laid out near some of the parks.



**ALTERNATIVE INVESTMENTS**

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